

Cable  
Text:

C O N F I D E N T I A L                      ATHENS 00040  
BRUSSECX:  
ACTION: ECON UECON  
INFO: PAO UDCM UCUST UFCS PR POL UPAO UNAS UPOL UAGR  
UAMB DCM FCS AMB UAID DAO

DISSEMINATION: ECON  
CHARGE: PROG

VZCZCBSO127  
OO RUEHBS  
DE RUEHTH #0040/01 0131700  
ZNY CCCCC ZZH  
O 131700Z JAN 09  
FM AMEMBASSY ATHENS  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3018  
INFO RUEHAH/AMEMBASSY ASHGABAT 0148  
RUEHKB/AMEMBASSY BAKU 0228  
RUEHAK/AMEMBASSY ANKARA 5368  
RUEHSF/AMEMBASSY SOFIA 1631  
RUEHRO/AMEMBASSY ROME 4491  
RUEHMO/AMEMBASSY MOSCOW 1059  
RUEHSI/AMEMBASSY TBILISI 0428  
RUEHFR/AMEMBASSY PARIS 1514  
RUEHLO/AMEMBASSY LONDON 1451  
RUEHTH/AMCONSUL THESSALONIKI 2001  
RUEHBS/USEU BRUSSELS  
RHMFISS/DEPT OF ENERGY WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 ATHENS 000040

SIPDIS

E.O. 12958: DECL: 01/12/2019  
TAGS: [ENRG](#) [ECON](#) [PREL](#) [GR](#) [IT](#) [AJ](#) [RS](#) [BU](#)  
SUBJECT: GREECE ASSURING LNG-BASED GAS SUPPLIES FROM  
BRITISH GAS AND ENI THROUGH END OF JANUARY; TGI LOOKING  
BETTER BUT NEW MINISTER'S LEANINGS NOT KNOWN

Classified By: DCM Deborah McCarthy for Reasons 1.4 (b,d)

1. (C) Summary. Greece's natural gas company (DEPA) has contracted LNG deliveries to supply the country through January 20 and is close to finalizing LNG supplies through the end of the month. Observers remain uncertain how Gazprom's gas cut off will affect Greek energy policy. One senior official, however, has asked whether it would be possible for Greece and Italy to ink a gas supply agreement with Azerbaijani producers even without an Azerbaijani-Turkish transit agreement. End Summary.

- - - - -  
The Nitty Gritty on Gas Supplies  
- - - - -

2. (C) DEPA received ten days worth of gas on Saturday, January 10 and is finalizing contracts for other deliveries, which will guarantee Greece's gas supplies through the end of January. According to DEPA President Papageorgiou, Greece's daily gas usage in winter averages 9.5 million cubic meters, and Greece's only gas storage facility, the LNG terminal at Revythoussa, can hold 80 million cubic meters. British Gas delivered 140,000 cubic meters of LNG, equivalent to 80 million cubic meters of uncompressed gas, on January 10. Papageorgiou said he is negotiating with Gas Natural for another delivery on January 19 or 20, as well as a final supplementary delivery from Sonatrach on January 26.

- - - - -  
We Want to Help Bulgaria, But Cannot  
- - - - -

13. (C) Greek and DEPA officials would like their country to be in a position to help its neighbors during this and similar gas supply crises, but say they are currently unable to do so for technical reasons. Both Papageorgiou and former Ministry of Development Energy Advisor Elsa Loverdou said it is impossible to reverse the flow of the gas line between Bulgaria and Greece, which supplies Greece with its Gazprom gas. Loverdou said finding a technical fix to this problem was high on former Minister Folias's agenda. Both she and Papageorgiou stressed this was just one reason it was important for Greece to move ahead on its plans to construct another LNG regasification and storage facility near Kavala in northern Greece.

14. (C) There appears, however, to be disagreement about whether Russian firms would have to be involved with a Kavala terminal. Moisis claims that the original Greco-Russian gas supply agreement of 1986, scheduled to run out in 2016, specifies that Russian firms must be involved in the construction of any Greek LNG terminals. Papageorgiou claims the bilateral agreement merely references a Russian "willingness" to support new Greek LNG facilities.

- - - - -  
TGI Looking Better  
- - - - -

15. (C) The Russian gas shut-off appears to have provoked a moderate rethinking of Greece's energy policy. While Energy Policy Council Chair Rafael Moisis said he believes that, once the current crisis is resolved, Greece will quickly forget it ever happened, he has also asked whether it would be possible to move forward more quickly on a gas supply agreement between Azerbaijan and Greece/Italy. Moisis has specifically inquired whether the parties could bypass the Azerbaijan-Turkey transit impasse by offering to take delivery of Azerbaijani gas at the Georgia-Turkey border. In another indication that the tide may be slowly turning, Ta Nea newspaper said in its January 10 edition that the crisis makes it essential for Greece to assure access to Caspian supplies and noted positively that realizing TGI would reduce the Russian share of Greek gas to 50-55 percent of the total.

- - - - -  
New Minister of Development  
- - - - -

16. (C) The Prime Minister's January 7 Cabinet reshuffle replaced Christos Folias with Kostas Hatzidakis at Development. Hatzidakis comes from the Ministry of Transportation, where he took on hard challenges such as the privatization of Olympic Airlines. Hatzidakis has no particular expertise in energy. Moisis believes Hatzidakis will keep on Secretary General Moussouroulis, who is an expert in European Union policy but has not shown himself to be supportive of an energy diversity policy. Papageorgiou said Hatzidakis had already called him January 7; he found the incoming Minister surprisingly knowledgeable about energy.  
SPECKHARD